

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 583 - SB 717

March 19, 2013

SUMMARY OF BILL: Changes the name of the Tennessee Historical Commission to the Commission on Historic Preservation. Reduces the number of governor-appointed and total members, from 24 to 12, and sets the length of terms for the members of the Board. Creates an executive director position for the Commission, with the authority to create such positions and employ such personnel as are deemed necessary to conduct its affairs, upon approval of the commission.

Detaches the Tennessee Criminal Justice Coordinating Council from the Department of Finance and Administration and attaches the Council to the Department of Correction for administrative purposes. Requires the Board of Accountancy (BOA) to establish qualifications for the executive directors of the Board. Requires the executive director of BOA to direct activities of Board staff, coordinate the operations and activities of the Board and its staff with the Division of Regulatory Boards, and perform any other necessary functions delegated by the Board. States the BOA shall be subject to any performance review and any other general requirements of state employees. Authorizes the Commissioner of Commerce and Insurance to dismiss the executive director for cause. Removes the current requirement that any expenditure of the BOA must first be approved by the Department of Finance and Administration.

Combines the "Geologists Fund" and "Soil Scientist Fund" into the "Geologist and Soil Scientist Regulatory Fund". This fund will be used to defray the costs in administration of the *Geologist Licensure Act of 2007* and the *Soil Scientist Licensure Act of 2009*. Requires the Governor to appoint a chair from among the members of the Health Services and Development Agency. Such chair will serve a term of two years. Deletes the Drycleaner Environmental Response Board and places the burden of carrying out the duties of the Environmental Response Program within the Department of Environment and Conservation's (TDEC) Division of Remediation. Places current responsibilities of the Board with the Commissioner of TDEC.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$2,810,300/One-Time

Net Impact - \$154,100/ Recurring

Other Fiscal Impact – The Governor's proposed FY13-14 budget accounts for the Criminal Justice Coordinating Council transferring from the Department of Finance and Administration to the Department of Correction, in an amount equal to \$227,500.

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Assumptions:

- Reducing the membership, from 24 to 12, of the newly titled Commission on Historic Preservation (CHP) will result in a decrease in state expenditures due to fewer reimbursements for meal, lodging, travel and other expenditures.
- According to TDEC, membership expense reimbursements for FY11-12 totaled \$13,126 (mileage \$7,000 + lodging \$3,422 + per diem \$2,704)
- According to TDEC, halving the Commissions membership will decrease such reimbursements, resulting in a decrease in state expenditures of \$6,563 ($\$13,126 \times 0.50$).
- Changing the title of the Commission will require that 1,900 historic markers across the state be recast with the new title of the Commission, the “Commission on Historic Preservation.”
- The estimated cost to recast one marker is \$1,475, resulting in a one-time increase in state expenditures totaling \$2,802,500 ($1,900 \times \$1,475$).
- According to TDEC, miscellaneous items will need to be purchased to reflect the change in Commission title, resulting in an increase in state expenditures of \$6,525 (stationary \$700 + business cards \$225 + signage \$5,000 + brochures \$600).
- The Commission will hire an executive director position and a counsel position. The executive director position will result in recurring expenditures of \$92,837 (\$70,884 salary + \$10,654 benefits + \$5,999 insurance + \$2,000 phone and network costs + \$2,700 office lease + \$600 supplies).
- The counsel position will result in recurring expenditures of \$68,874 (\$50,052 salary + \$7,523 benefits + \$5,999 insurance + \$2,000 phone and network costs + \$2,700 office lease + \$600 supplies).
- Total one-time costs for both positions are estimated to be \$7,800 (\$3,300 computers and set-up + \$4,000 landscaping + \$500 printing). There will also be one-time costs of \$5,000 for rule-making hearings. The total increase in one-time costs will be \$12,800.
- It is estimated that combining the Soil Scientist Fund and Geologists Fund will result in no significant fiscal impact.
- According to TDEC, two members on the Drycleaner Environmental Response Board currently claim travel expenses. In FY11-12, such reimbursement for such travel expenses totaled \$1,036. This amount will no longer be expended, resulting in decrease in state expenditures of \$1,036.
- The total decrease in recurring state expenditures, beginning in FY13-14, is \$7,599 ($\$6,563 + \$1,036$). The total increase in recurring state expenditures, beginning in FY13-14, is estimated to be \$161,711 ($\$92,837 + \$68,874$). The net increase in state expenditures is \$154,112 ($\$161,711 - \$7,599$).
- The total one-time increase in state expenditures is estimated to be \$2,816,825 ($\$2,802,500 + \$7,800 + \$6,525$).
- The Governor’s FY13-14 took into account the transfer of the Criminal Justice Coordinating Council from the Department of Finance and Administration. The Department’s base budget reduction relating to the elimination of this Council totaled \$227,500.
- It is assumed that the reduction in funds, as budgeted, will reflect the increase experienced by the Department of Correction to house the Criminal Justice Coordinating Council.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb